



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

July 28, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PERMIT AND LAND MANAGEMENT SOLUTIONS (PALMS) PROJECT – SIXTH AND FINAL QUARTERLY REPORT

As requested by your Board, this is the sixth and final quarterly report for the Permit and Land Management Solutions (PALMS) Feasibility and Requirements Report (FRS) Project.

The purpose of the PALMS FRS project is to identify, analyze, and recommend improvements to business processes and supporting technology that will increase the effectiveness and efficiency of the County's permitting and land management functions. A multi-departmental Executive Steering Body and Project Team, chaired by the Deputy Chief Executive Officer for the Community and Municipal Services Cluster, was formed to direct the project. The primary participating departments are:

- Assessor
- Fire
- Parks and Recreation (DPR)
- Public Health, Environmental Health (DPH/EH)
- Public Works (DPW)
- Regional Planning (DRP)

"To Enrich Lives Through Effective And Caring Service"

*Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only*

Other departments that are involved in the project include:

- Chief Executive Office
- Chief Information Office
- Auditor-Controller
- Registrar-Recorder/County Clerk
- Treasurer and Tax Collector

On January 6, 2009, your Board approved an Agreement with Woolpert, Inc. to assist the County in performing this project. Woolpert is an independent consulting and engineering firm with expertise in municipal permitting and land management processes and technology solutions that was selected via a competitive procurement process. The formal project kick off meeting was conducted on March 2, 2009.

During the most recent quarter, following comprehensive review and discussion, including briefings to the Planning Deputies, the PALMS Final Report was accepted. This concluded the FRS phase of the PALMS project. The FRS phase was completed on schedule and on budget.

Summary of Key Findings and Recommendations

Summarized below are key elements of the Final Report.

Permitting and Land Development Processes Organized into Five Business Domains – Over 90 permitting and land development business processes were determined to be within the PALMS scope. They are organized in the following five business domains and associated process groups:

- Land Development
 - Tentative Map Process
 - Final Map Process
- Permitting
 - Building Permits
 - Construction Permits
 - Zoning Permits
- Enforcement
 - Code Enforcement
 - Zoning Enforcement

- Inspections
 - Building Inspections
 - Construction Inspections
 - Emergency Response
- Administration
 - Cashiering
 - Bonding
- Miscellaneous
 - Public Hearings

Current Permitting and Land Development Business Processes Suffer From a Variety of Issues – The current permitting and land development processes suffer from a variety of issues, which in many cases result in inefficient, costly, and frustrating customer service experiences, despite the diligence and efforts of County personnel. These issues include the following:

- Paper intensive.
- Redundant and often conflicting processes.
- Customers must deal with multiple County departments at different office locations – no single point of contact.
- Limited collaboration between departments.
- Current technology is very limited.
- Very limited visibility into project status across departments.
- Payment management and cost accounting is weak.
- Lack of a central process control function.
- Failure to focus on customer experience.

Significant Opportunities for Improvement Have Been Identified – Options and recommendations for improving the efficiency, effectiveness, and level of customer service are organized into three categories:

- Organizational
- Business Process
- Technology

Organizational Recommendations and Options Have Been Defined - In order to overcome many of the current permitting and land development business process shortcomings, several organizational recommendations and options were defined, as follows:

- Create a Centralized Land Development Center - Using the County's 10 Regional Centers as a model, co-locate the bulk of land development personnel from DPW, DRP, and Fire in a single, convenient location. This would allow access to land development personnel representing approximately 90 percent of developer interactions at a single location. Land development personnel from DPR and DPH/EH would not co-locate, but would use web and videoconferencing technology to increase communications. This is the recommended approach that many government jurisdictions have adopted to improve customer service and comparatively, could take less time to implement.
- Create a Centralized Land Development Organization – The County should consider a major reorganization that shifts land development functions into a single unified organization. This option addresses the need for a single, unified chain of command to address current organizational differences and to make critical system installation and configuration decisions. This is an approach that many government jurisdictions have adopted to improve customer service.
- Co-locate and Reorganize Complex Plot Plans, Zoning Permits, Building Permits, and Inspections Functions – The DRP units that handle these functions should be located in the same facility as the Land Development Center. This would better meet the needs for developers, contractors, and the public for specialized services for complex projects. As an option, these units would also be merged into a centralized land development organization.

Co-locate and Reorganize Enforcement Functions – As an option, the current multi-agency Nuisance Abatement Teams (NAT) could be extended beyond being a single, unified field operation. The extension would be to create an Enforcement center and organization, in order to better coordinate enforcement actions for zoning and building codes.

There are significant issues and details associated with these recommendations and options. Given the significance of this issue, and because the PALMS Phase I scope of work did not include the budget or timeline to develop detailed organizational recommendations, the development of a recommended organizational approach will be addressed during subsequent phase(s) of the PALMS project.

Numerous Opportunities to Improve Business Processes – Numerous opportunities to streamline and improve permitting and land development business processes have been defined. While many of the improvements have been documented to a certain level, specific redesign of business processes will depend on the organizational structure that is agreed to and implemented. Therefore, making the organizational decisions represents a critical path for the County to achieve improved permitting and land development services.

Numerous Opportunities for Technology to Improve Business Processes – A wide range of technology recommendations have been presented. If based on a solid organizational foundation and redesigned processes, they can lead to improvements in efficiency, effectiveness, capacity, timeliness, and improved customer service. The technology recommendations include the following:

- Use EMC/Documentum software to automate the Land Development processes. The County's land development processes are unique enough that a Commercial Off the Shelf (COTS) software package is very unlikely to be successful. Documentum utilizes a framework development approach for application development, which represents a middle ground between custom development and COTS software. EMC/Documentum is the County's software standard for Electronic Content Management (ECM), which includes document management and workflow. It is currently being utilized for application development by a number of County departments.

Seek a single COTS solution for Permitting, Inspections, Enforcement, and Administration processes. Although the County's size and complexity represents a challenge, it is likely that a COTS vendor can meet many of the County's permitting, enforcement, and inspections requirements. If the County follows the full range of PALMS recommendations, this represents a significant difference from the approach taken with the eDAPTS project.

- Implement pilot projects for Electronic Plan Checking/Mark Up and Mobile Data Collection in the short-term.
- Over time, integrate a wide variety of additional technologies to improve the internal and external capabilities of PALMS systems. Many of these technologies are strategic County IT directions and already are in use in the County, including:
 - Geographic Information Systems (GIS)
 - E-Commerce
 - Web and video conferencing
 - Web portal
 - Business Intelligence (BI)

A Multi-Phase, Multi-Year Implementation Timeline is Required – Three subsequent phases have been identified for implementing the recommended improvements. The phased approach takes into account the numerous organizational and business process improvement tasks required prior to acquiring new systems, as well as the County's current financial constraints:

- Phase II – Bridge to Implementation
- Phase III – Procurement
- Phase IV – Implementation

The estimated timeline for completing Phases II – IV is 5-7 years. However, significant benefits are expected to be realized by the County beginning within the first year and throughout the project timeline.

One Time Costs for Full Implementation Estimated to be \$16M - \$23M – The costs include hardware, software, and program management services. The key elements comprising this cost include the following:

Plan Check Pilot	One Time	\$.65M - \$ 1.40M	Recurring	\$ 25,000 - \$ 50,000
Land Development	One Time	\$ 2.65M - \$ 3.85M	Recurring	\$150,000 - \$ 300,000
COTS Permits, etc.	One Time	\$ 8.00M - \$11.20M	Recurring	\$520,000 - \$ 710,000
Program Management		\$ 4.90M – \$ 6.80M		
TOTAL	One Time	\$16.20M – \$23.25M	Recurring	\$695,000 – \$1,060,000

While implementation of all three major systems should result in the greatest benefit to the County, the County has the flexibility to implement different technology elements based on financial or other considerations. In addition, the County will have discretion over the degree of program management functions for which it chooses to contract with a third party.

Potential Funding Alternatives Identified - Woolpert has identified two potential alternative sources for funding PALMS – ARRA funding and a technology surcharge for permitting and development services. ARRA funding would be justified on the basis of improving the County's capacity and timeliness for processing development and construction submissions, thus increasing economic activity. Automating the intake and processing of development plans should provide significant improvements in time and cost to developers. In other jurisdictions the development community has supported technology surcharges that reduced their costs of doing business.

Next Steps

A proposal and funding approach for Phase II, Bridge to Implementation, is being considered to build on the results of PALMS Phase I. One task of Phase II has been approved by the CEO and is currently underway with DRP and DPW as part of the Land Entitlement Process Review Project.

This is the final quarterly report for PALMS FRS.

Each Supervisor
July 28, 2010
Page 8

If you or your staff have any questions or need further information, please contact Jacob Williams, Assistant Director, Department of Public Works at (626) 458-4014, or via e-mail at jjwillia@dpw.lacounty.gov.

WTF:BC
JA:os

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Assessor
Auditor-Controller
Chief Information Office
Fire
Parks and Recreation
Public Health
Public Works
Regional Planning
Registrar-Recorder/County Clerk
Treasurer and Tax Collector

**PERMIT AND LAND MANAGEMENT SOLUTIONS (PALMS)
Quarterly Status Report
July 2010**

The following is a high level quarterly status update regarding the Permit and Land Management Solutions (PALMS) project for the second quarter (April - June) of 2010:

Actions for April – June 2010

- Reviewed the Final Report.
- Briefed the Planning Deputies on May 13.
- Based on feedback from the Planning Deputies, finalized the Final Report.
- At the County's request, Woolpert submitted a proposal to assist during the next phase of PALMS. The proposal addresses PALMS Phase II and is referred to as the Bridge to Implementation. The proposal has undergone several revisions and continues to be considered by the Executive Steering Body.
- Weekly Project Team calls were conducted with Woolpert and County Project Team members. Weekly project status reports were produced by Woolpert.
- Monthly Executive Steering meetings were conducted with Woolpert and County Executive Steering Body members. Monthly project status updates were produced by Woolpert.
- Woolpert continued to update the project website. All project documents are located on the project website. Project communications are routed through and recorded on the website. All directly involved project participants were invited to register. Other County stakeholders may access the site after being granted a user name and password by Woolpert. The web address is <https://woolpert.centraldesktop.com/login>

Next Steps

- Phase I of the PALMS Project is complete, so there will be no further Phase I quarterly status reports.
- Finalize Scope of Work for PALMS Phase II.
- Confirm funding for PALMS Phase II.
- Amend Woolpert's Agreement to incorporate Phase II, and gain Board approval.
- Begin PALMS Phase II.